

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 30, 2011
POSITION: Neutral

BILL NUMBER: AB 964
AUTHOR: J. Huffman
RELATED BILLS: AB 2172 of 2010

BILL SUMMARY: Water Rights: Small Irrigation Use

Current law allows any person to obtain a right to appropriate water for a small domestic or livestock stockpond use by registering the use with the State Water Resources Control Board (Water Board) and subsequently applying the water to reasonable and beneficial use, subject to specified conditions. Current law limits each registrant to one registration. Whenever it can be reasonably anticipated a stream system may become fully appropriated within the next reporting period, current law requires the Water Board to determine if the stream system is fully appropriated after notice and hearing. Current law also requires the Water Board to set water rights fees based on revenue levels set forth in the annual budget acts.

This bill would expand the circumstances when a water right appropriation may be obtained to include small irrigation uses and apply existing reporting and renewal requirements to small irrigation registrants. The bill would define small irrigation use as water used for (1) irrigation, heat control, or frost protection, including impoundment for incidental; domestic aesthetic, fire protection, recreational, or fish and wildlife purposes not exceeding 42,000 gallons per day or (2) irrigation not exceeding diversion of 42,000 gallons per day. The bill would limit these small irrigation uses to 20 acre-feet (about 6.5 million gallons) annually. The bill would allow a registrant to hold more than one appropriation for small irrigation uses if each registration is limited to one per 20 irrigated acres and total water use on all acreage covered by the registrations does not exceed 100 acre-feet per annum. The bill would allow a facility to have both a small domestic use registration and small irrigation use registration only if the total combined water use does not exceed 20 acre-feet annually. The authority to register small irrigation uses would be contingent upon the extent the Water Board has established specified general conditions protecting instream beneficial uses, as specified.

The bill would revise the definition of "small domestic use" to include fire protection—in addition to aesthetic, recreational, or fish and wildlife purposes—associated with a dwelling or other facility for human occupation.

The bill would revise current law regarding Water Board determinations whether a stream is fully appropriated, to instead state if the most recent annual report identifies a stream system as being potentially fully appropriated in the next reporting period, water use registrations shall not take effect unless the Water Board determines unappropriated water is available. If the Water Board finds unappropriated water is not available, the Water Board would be required to determine whether the stream system should be declared fully appropriated after notice and hearing.

The bill would make a technical change to current law by requiring water rights fees set by the Water Board conform to annual budget act appropriations.

FISCAL SUMMARY

According to the Water Board, approximately 1.5 positions and \$195,000 Water Rights Fund in 2011-12 and 2012-13 are needed to develop general conditions for small irrigation uses. This temporary increase in

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Analyst/Principal (0622) J. McGuinn	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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AUTHOR

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FISCAL SUMMARY (continued)

expenditures would be supported by water rights fees charged to applicants. However, the estimated expenditures would be subject to review and approval in the annual budget development process.

Finance notes while the Water Board could administratively establish positions in 2011-12, absent an appropriation in the bill, there is no mechanism to provide funding in 2011-12.

COMMENTS

The Department of Finance is neutral on the bill because the beneficiaries would fund the cost of the additional workload.

The bill is intended to provide vineyard owners and others with a water right in the form of a small irrigation use registration.

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP						Fund	
Type		RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Code
3940/SWRCB		SO	No		--	C	\$195	C	\$195	3058
<u>Fund Code</u>	<u>Title</u>									
3058	Water Rights Fund									